IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH.

I.T.A. No.30 of 2002
Date of decision: 07.11.2006

Commissioner of Income-tax (Central), Ludhiana.

---Appellant

Vs.

M/s Varinder Agro Chemicals Ltd., Ludhiana.

-----Respondent

CORAM:- HON'BLE MR JUSTICE ADARSH KUMAR GOEL
HON'BLE MR JUSTICE RAJESH BINDAL

Present: Mr. S.K. Garg Narwana, Advocate
for the appellant.

ORDER:

This appeal has been preferred by the revenue against the order dated 25.07.2001 of Income Tax Appellate Tribunal, Chandigarh Bench-B, Chandigarh in I.T.A. No.225/Chandi/95 in respect of the assessment year 1991-92 proposing following substantial question of law:-

> "Whether on the facts and in the circumstances of the case, the ITAT was right in law in deleting the disallowance of Rs.37,17,550/- made on account of interest on Interest Free Advances given to the sister-concerns for non-business purposes?"

The question referred has been gone into by this Court in ***Commissioner of Income Tax-I, Ludhiana v. M/s Abhishek Industries Limited, Ludhiana*** (2006) 286 ITR 1 (P&H) and after considering the issue at length, the question has been answered in favour of the revenue and against the assessee.

It is not disputed that in the case of the assessee also, the said order has been followed for a different assessment year.

Following the above judgment, we answer the question raised in favour of the revenue and against the assessee.

Accordingly, the appeal is allowed

(ADARSH KUMAR GOEL)
JUDGE

November 07, 2006
ashwani

(RAJESH BINDAL)
JUDGE